

SENATE BILL NO. 437

INTRODUCED BY J. ELLIOTT

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT FOR TAX INCREMENT FINANCING, STATE SCHOOL MILL LEVIES, VOCATIONAL-TECHNICAL MILL LEVIES, AND, UNLESS AUTHORIZED BY THE SCHOOL BOARD, LOCAL SCHOOL LEVIES MAY NOT BE INCLUDED IN THE INCREMENT FOR AREAS OR DISTRICTS UTILIZING TAX INCREMENT FINANCING; AMENDING SECTION 7-15-4286, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-15-4286, MCA, is amended to read:

"7-15-4286. Procedure to determine and disburse tax increment. (1) Mill rates of taxing bodies for taxes levied after the effective date of the tax increment provision must be calculated on the basis of the sum of the taxable value, as shown by the last equalized assessment roll, of all taxable property located outside the urban renewal area or industrial district and the base taxable value of all taxable property located within the urban renewal area or industrial district. The mill rate determined must be levied against the sum of the actual taxable value of all taxable property located within as well as outside the urban renewal area or industrial district.

(2) (a) (i) The tax increment, if any, received in each year from the levy of the combined mill rates of all the affected taxing bodies against the incremental taxable value within the urban renewal area, or industrial district, or any other area or district using tax increment financing, except for the university system mills levied and assessed against property provided in subsection (2)(a)(ii), must be paid into a special fund held by the treasurer of the municipality and used as provided in 7-15-4282 through 7-15-4292.

(ii) The following mill levies may not be included in the increment established in subsection (2)(a)(i):

(A) university system mills levied under 15-10-107 and 20-25-423;

(B) for an area or district created after [the effective date of this act], state school mills levied under 20-9-331, 20-9-333, and 20-9-360;

(C) for an area or district created after [the effective date of this act], vocational-technical education mills levied under 20-25-439; and

(D) for an area or district created after [the effective date of this act], school district mills levied under

1 Title 20 unless specifically authorized by the appropriate school board.

2 (b) The balance of the taxes collected in each year must be paid to each of the taxing bodies as
3 otherwise provided by law."

4

5 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

6 - END -